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NOTE

From: General Secretariat of the Council
To: Special Committee on Agriculture \ Council
Subject: Report on the evaluation of the Unfair Trading Practices Directive
- *Presentation by the Commission*
- *Exchange of views*

Delegations will find in the Annex a note prepared by the Presidency on the above-mentioned subject.

Ministerial Exchange of Views on the Evaluation and Forthcoming Review of the Unfair Trading Practices Directive

Significant imbalances in bargaining power persist in the agri-food supply chain, often resulting in unfair trading practices (UTPs). Such practices undermine income stability, increase economic vulnerability and weaken trust in commercial relations, to the detriment of farmers and small suppliers. Strengthening the position of farmers in the food supply chain and supporting farm incomes remain core objectives of the Common Agricultural Policy.

To address these challenges, the European Union complemented the existing market framework (CMO Regulation) by adopting Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain in 2019. The Directive established a minimum level of harmonisation through a list of prohibited practices, enforcement obligations for Member States and safeguards, aimed at addressing the “fear factor” experienced by suppliers. These efforts have been recently deepened by further initiatives, including the Commission proposal for a Regulation on cross-border enforcement against Unfair Trading Practices as well as proposals for targeted amendments to the CMO Regulation in 2024, both aimed at improving farmers’ position and protection in value chains.

In line with article 12 of the UTP Directive, the Commission carried out a first evaluation of the Directive and published its evaluation report on 1 December 2025¹ [Document COM (2025) 728 final]. The evaluation took place at an early stage of implementation, given delays in transposition in several Member States and the relatively short period of practical application. Its findings were also influenced by variations in national transposition choices, limited availability of comparable data, and external shocks such as the COVID-19 pandemic and the Russian war of aggression against Ukraine.

¹ ST 16217/25

Despite these limitations, the evaluation concludes that the UTP Directive has contributed to a reduction in certain unfair trading practices- most notably late payments- and to improved enforcement across the Union. It has also provided a minimum level of protection for farmers and small suppliers in all Member States, thereby contributing to a more level playing field. At the same time, the evaluation identifies important challenges and areas where further reflection may be warranted.

In particular, the evaluation points, among others, to:

- uneven awareness among farmers and suppliers of their rights under the Directive;
- low complaint rates, largely due to fear of retaliation and concerns about confidentiality;
- significant differences in enforcement activity and practices between Member States;
- emerging or evolving practices that may circumvent the Directive and shift disproportionate risks or costs onto suppliers, including practices linked to sustainability-related requirements or payment models such as pay-on-scan.

The evaluation also recalls the broader policy context, including the launch of the EU Agri-Food Chain Observatory (AFCO), analytical work on fair remuneration for farmers, and the Vision for Agriculture and Food, which underlines that farmers should not be forced to systematically sell below their production costs, while preserving the market orientation of the CAP.

Against this background, and in view of the Commission's intention to present a proposal for the revision of the Unfair Trading Practices Directive in the second half of 2026, the Cyprus Presidency finds timely to invite Ministers to exchange views on key policy orientations that could inform the forthcoming revision. Without prejudging the Commission's upcoming proposal's scope or content, the Cyprus Presidency invites Ministers to share their views that could facilitate efficient use of the available tools to combat UTPs.

Guiding Questions for the Ministerial Debate

Question 1 – Strengthening farmers' position

In the context of the forthcoming review of the Unfair Trading Practices Directive, how could the revision of the UTPs Directive further strengthen the position of farmers and small suppliers in the agri-food supply chain, while supporting a more consistent and effective implementation of the Directive across Member States, and respecting the single market and the principle of proportionality?

Question 2 – Market fairness

How do you view the role of the Unfair Trading Practices framework in addressing situations where disproportionate risks or costs may be shifted onto farmers, while safeguarding the market-oriented nature of the Common Agricultural Policy?
